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ALL FARM PRODUCTS INDEX UP 1 POINT

The All Farm Products index was up 1 point from August to September.

The Crops index was up 1 point from August to September. Prices received by farmers for soybeans for September at $5.85 per bushel increased 23 cents from the August price. Corn decreased 1 cent from August to a September price of $2.02.

The Meat Animal index was down 1 point from last month. The all hog price for September was $42.40 per cwt., a decrease of 70 cents from the August price. The all cattle price for September was $72.40, an increase of $1.00 from the August price.

The Dairy Products index was up 10 points from last month. The all milk price for September, at $15.20 per cwt., was up 80 cents from August.

AVERAGE PRICES RECEIVED BY FARMERS

Commodity And Unit	U.S. Avg Sep 2003 1/	Minnesota Sep 2002 2/	Minnesota Aug 2003 2/	Minnesota Sep 2003 1/
Barley, Feed & Malting, bu	2.65	1.93	2.29	2.33
Beans, Dry Edible, All, cwt	17.20	16.00	18.30	- -
Kidney, cwt	- -	19.90	- -	- -
Navy, cwt	- -	- -	- -	- -
Pinto, cwt	- -	- -	- -	- -
Corn, bu	2.13	2.27	2.03	2.02
Hay, All, Baled, ton	84.20	69.00	68.00	66.00
Alfalfa, Baled, ton	89.00	79.00	75.00	73.00
Other, Baled, ton	70.10	50.00	58.00	52.00
Oats, bu	1.39	1.60	1.25	1.23
Potatoes, cwt	5.28	7.50	5.30	5.10
Soybeans, bu	6.04	5.19	5.62	5.85
Sunflowers, All, cwt 3/	11.40	11.70	- -	- -
Wheat, All, bu	3.29	4.21	3.51	3.27
Calves, cwt	106.00	76.00	97.70	99.00
Cattle, All Beef, cwt	84.00	57.90	71.40	72.40
Cows, cwt, 4/	46.00	37.20	50.70	51.50
Steers & Heifers, cwt	88.20	61.90	77.90	79.00
Milk Cows, head 5/	- -	- -	- -	- -
Hogs, All, cwt	39.20	28.90	43.10	42.40
Barrows & Gilts, cwt	39.70	29.00	43.20	42.50
Sows, cwt	30.10	15.00	33.10	31.00
Lambs, cwt 6/	- -	69.10	82.00	- -
Sheep, cwt 6/	- -	21.00	23.00	- -
Milk, All, cwt	14.00	11.70	14.40	15.20
Eggs, Table Market, doz	0.63	0.35	0.67	0.61

1/ Preliminary 2/ Whole-month data 3/ U.S. price includes KS, MN, ND, & SD average. 4/ Beef cows sold for slaughter and herd replacement and cull dairy cows sold for slaughter. 5/ Animals sold for dairy herd replacement only. Prices published in Jan., Apr., Jul., and Oct. 6/ Preliminary prices discontinued Jan. 1996.

MINNESOTA INDEX OF PRICES RECEIVED (1977=100)

Commodities	U.S.* Sep 2003 1/	Minnesota Sep 2002 2/	Minnesota Aug 2003 2/	Minnesota Sep 2003 1/
All Farm Products	109	117	130	131
Crops	110	117	112	113
Meat Animals	107	111	148	147
Dairy Products	107	133	163	173
Poultry & Eggs	112	102	117	113

1/ Preliminary. 2/ Whole-month data.
* 1990-92=100 reference replaces 1977 = 100 beginning Jan. 1995.

U.S. INDEX SUMMARY (1990-92 = 100) *

Item	Aug 2002	Sep 2002	Aug 2003	Sep 2003
Prices Received	100	98	109	109
Prices Paid (Interest, Taxes, Wage Rates)	124	125	127	128
Parity Ratio 1/	81	78	86	85

1/ Computed by dividing Prices Received Index by Prices Paid Index.
* 1990-92=100 reference replaces 1977=100 beginning January 1995

CONSUMER PRICE INDEX

1982-84=100 September 2002 181.0 September 2003 185.2

MINNESOTA CORN AND SOYBEAN FORECAST DOWN FROM LAST MONTH

CORN production is forecast at 951 million bushels, down 38.1 million bushels from September 1 and down 101 million bushels from the 2002 record year. The October 1 yield is forecast at 143.0 bushels per acre, down 8 bushels from September 1, and down 14 bushels from the record yield last year. Revised planted acreage is 7.2 million acres and harvested acreage for grain is 6.65 million acres.

SOYBEAN production for Minnesota is forecast at 236.8 million bushels, down 40.7 million bushels from the September 1 forecast and down 72.1 million bushels from the record production in 2002. Based on October 1 conditions, the yield is forecast at 32.0 bushels per acre, down 5.0 bushels per acre from September 1 and down 11.5 bushels from the record yield in 2002. Revised planted acreage is 7.5 million acres and harvested acreage is 7.4 million acres.

The **SUGARBEET** crop is estimated at 9.25 million tons, down 4% from September 1 but up 5% from 2002. Harvested acres are 465,000, unchanged from last month. Yield is estimated at 19.9 tons per acre, down 0.9 ton per acre from September 1, but up 1.3 tons per acre from last year.

This year's **DRY BEAN** production is estimated at 2.08 million hundredweight, down 16% from last year. Yield is forecast at 1,600 pounds per acre, down 50 pounds per acre from last year.

ALL SUNFLOWER production is forecast at 119 million pounds, up 39% from 2002. Yield is forecast at 1,405 pounds per acre compared to 1,345 pounds per acre in 2002. Planted acres are 90,000 while harvested acres are 85,000.

U.S. HIGHLIGHTS

CORN production is forecast at 10.2 billion bushels, up 3% from last month and 13% above 2002. Based on conditions as of October 1, yields are expected to average 142.2 bushels per acre, up 3.7 bushels from September and up 12.2 bushels from last year. If realized, both production and yield would be the largest ever. Both records were set in 1994 when production was estimated at 10.1 billion bushels and the yield was 138.6 bushels per acre. Yields turned out to be higher than expected across much of the Corn Belt and central Great Plains as farmers began to harvest their crops. Based on Farm Service Agency administrative information, acreage updates were made in several States and farmers now expect to harvest 71.8 million acres of corn for grain, down 50,000 acres from September but up 4% from 2002.

SOYBEAN production is forecast at 2.47 billion bushels, down 7% from the September forecast and 10% below 2002. If realized, this would be the lowest production since 1996. Based on conditions as of October 1, yields are expected to average 34.0 bushels per acre, down 2.4 bushels from September and down 4.0 bushels from 2002. With harvest underway, yields are lower than last month in the Corn Belt and northern Great Plains reflecting the impact of the hot, dry conditions in August and continued mostly dry weather during September. Based on Farm Service Agency administrative information, acreage updates were made in several States and now area planted is estimated at 73.6 million acres, down 68,000 acres from the August estimate. Area for harvest is forecast at 72.5 million acres, down 88,000 acres from September, but up fractionally from the 2002 acreage.

MINNESOTA & U.S. HARVESTED ACRES, YIELD, AND PRODUCTION

COMMODITY	2002 HARVESTED ACRES (000)	2003 HARVESTED ACRES (000)	2002 YIELD	2003 YIELD	2002 PRODUCTION (000)	2003 PRODUCTION (000)
MINNESOTA						
CORN (Bu)	6,700	6,650	157.0	143.0	1,051,900	950,950
SOYBEANS (Bu)	7,100	7,400	43.5	32.0	308,850	236,800
SUGARBEETS (Ton)	476	465	18.6	19.9	8,854	9,254
DRY BEANS 1/	150	130	1,650	1,600	2,475	2,080
SUNFLOWERS (Lb)	64	85	1,345	1,405	86,050	119,425
CANOLA (Lb)	45	57	850	1,900	38,250	108,300
ALFALFA HAY (Ton)	1,600	1,450	3.30	2.90	5,280	4,205
OTHER HAY (Ton)	700	750	1.90	1.70	1,330	1,275
UNITED STATES						
CORN (Bu)	69,313	71,765	130.0	142.2	9,007,659	10,207,141
SOYBEANS (Bu)	72,437	72,538	38.0	34.0	2,749,340	2,468,390
SUGARBEETS (Ton)	1,361	1,348	20.4	22.2	27,718	29,882
DRY BEANS 1/	1,727	1,418	1,736	1,665	29,974	23,603
SUNFLOWERS (Lb)	2,180	2,274	1,142	1,152	2,489,606	2,619,497
CANOLA (Lb)	1,275	1,085	1,218	1,425	1,552,520	1,545,709
ALFALFA HAY (Ton)	23,135	23,541	3.19	3.34	73,824	78,523
OTHER HAY (Ton)	41,362	40,838	1.86	2.01	77,138	82,183

1/ Yield in lb: production in cwt.

WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

WHEAT: Projected U.S. 2003/04 ending stocks of wheat are 11 million bushels lower than last month as a 45-million-bushel increase in production is more than offset by reduced imports and increased feed and residual use. A 50-million-bushel increase in feed and residual is the result of larger-than-expected feed and residual use in the first quarter of the marketing year implied by September 1 grain stocks. The projected price range is lowered 10 cents on the top end of the range to $3.10 to $3.50 per bushel because of lower-than-expected prices during the past month.

COARSE GRAINS: This month's outlook for 2003/04 U.S. feed grains is for larger beginning stocks, larger production, increased use, and larger ending stocks. Beginning corn stocks are up 77 million bushels. Forecast 2003 corn production is up 263 million bushels from last month and a record crop. The sorghum crop forecast is 9 million bushels lower than last month. Projected corn feed and residual use is increased by 75 million bushels but food and industrial use is lowered by 25 million bushels because of reduced demand for high-fructose corn syrup. Projected corn ending stocks are up 289 million bushels from last month. All feed grain stocks are up 7.7 million tons from last month. The projected price range for corn is reduced 20 cents on each end to $1.90 to $2.30 per bushel.

OILSEEDS: U.S. oilseed ending stocks for 2003/04 are projected at 4.5 million tons, down slightly from last month. Oilseed production for 2003/04 is forecast at 76.7 million tons, down 4.8 million tons, mainly due to reductions for soybeans and sunflower seed. Soybean production is forecast at 2,468 million bushels, 174 million bushels below last month. Projected soybean supplies are the lowest since 1996/97. Soybean exports are reduced 70 million bushels to 870 million bushels due to reduced domestic supplies and larger foreign production. Soybean crush is reduced this month as higher soybean meal prices reduce domestic meal use and export prospects. Increased use of other protein sources will help to offset reduced soybean meal consumption. Domestic soybean oil use is projected lower. Reduced availability of soybean oil will be partially offset by increased imports of canola from Canada. Soybean ending stocks for 2003/04 are reduced 5 million bushels this month to 130 million bushels.

U.S. season-average soybean prices are projected at $6.05 to $6.95 per bushel compared with $5.25 to $6.15 last month. Soybean meal prices are projected at $185 to $215 per short ton, up 15 dollars on both ends of the range. Soybean oil prices also are higher at 23.5 to 26.5 cents per pound, compared with 20 to 23 cents last month.

SUGAR: Projected U.S. sugar production for fiscal year 2003/04 is increased 35,000 short tons, raw value, from last month, based on processors' production projections compiled by the Farm Service Agency. With higher beginning stocks, total supply is increased 100,000 tons. Exports are increased 10,000 tons. The total stocks-to-use ratio is 20.8 percent, compared with 20.0 percent last month. For 2002/03, changes in producer production projections and imports increase total supply by 55,000 tons. End-of-year reporting from U.S. Customs results in tariff-rate quota imports decreasing slightly while imports under the re-export programs are increased 48,000 tons. On the use side, deliveries to manufacturers of sugar-containing products for re-export of sugar are lowered by 10,000 tons based on the pace to date. The total stocks-to-use ratio is 18.2 percent, compared with 17.5 percent last month.

LIVESTOCK, POULTRY, AND DAIRY: Total red meat and poultry production forecasts for both 2003 and 2004 are raised from last month. Forecast beef production in 2003 is raised 255 million pounds from last month as producers continue to market cattle early in response to high prices.

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Cow slaughter remains above last year, further adding to 2003 beef supplies. Beef production projections for 2004 also are increased from last month. First-half production is raised as high feeder-calf prices and continued poor forage conditions are expected to draw additional animals into feedlots during second-half 2003. Pork production forecasts for both 2003 and 2004 are raised.

The September 26 *Quarterly Hogs and Pigs* report indicated that intended farrowings are slightly below a year ago. However, imports of hogs from Canada have increased dramatically, leading to higher slaughter. If the high level of imports is sustained, commercial pork production in 2004 could set a record. Broiler production is forecast higher in 2003 and 2004 as eggs set data and higher weights point toward a modest expansion in production. Beef export forecasts are raised in 2003 and 2004 as foreign demand for U.S. beef is expected to increase, especially from Asia. Pork import forecasts are raised from last month. The poultry trade forecast is down from last month.

Dairy production and use forecasts for 2003/04 are changed fractionally from last month. Cheese prices have remained stronger than expected; thus, the Class III price forecast for 2003/04 is raised. The Class IV price forecast is unchanged. The all milk price is forecast to be $11.55 to $12.45 in 2003/04.

SOURCE: USDA-WAOB-WASDE-391, October 10, 2003

SEPTEMBER MILK OUTPUT DOWN 1% IN MINNESOTA

Totaling 639 million pounds, the state's September milk production was down 1% from September 2002.

Output per cow was 1,360 pounds in September, up 20 pounds from September 2002. Milk cows for September averaged 470,000 head, the same as revised August but 10,000 below a year ago.

September 2003 milk output in the 20 major states was 11.64 billion pounds, down slightly from September 2002. Milk cows in the 20 states averaged 7.74 million head, down 38,000 from the previous year. At 1,503 pounds, production per cow was up 6 pounds from September 2002.

AUGUST/SEPTEMBER 2003 MILK STATS

State	Milk Production		Percent of Previous Year	
	Aug	Sep	Aug	Sep
	Million Lbs.		*Percent*	
California	2,953	2,815	99	100
Idaho	764	737	106	109
Minnesota	**674**	**639**	**99**	**99**
New York	989	956	97	97
Pennsylvania	845	801	95	93
Wisconsin	1,875	1,804	101	101
20 States	12,110	11,641	99	100

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